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IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ALASKA

| UNITED STATES OF AMERICA | |
|--------------------------|----------------------------------|
| Plaintiff, |) No. |
| ∀. | |
| DOYON DRILLING, INC., |) DEFERRED PROSECUTION AGREEMENT |
| — Defendant, | |
| |) |

L INTRODUCTION

A. This document comzins the complete Deferred Prosecution Agreement (Deferral

Agreement) between the United States of America and Defendant DOYON DRILLING, INC.

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(DOYON DRILLING) with respect to charges under the Resource Conservation and Recovery

Act (RCRA), 42 U.S.C. Section 6928(d)(2)(A), and the Comprehensive Environmental Response,
Liability, and Cleanup Act (CERCLA), 42 U.S.C. Sections 9601 & 9603. Filed simultaneously

with this agreement is a Plea Agreement between the United States and Defendent DOYON

DRILLING, in which DOYON DRILLING agreed to plead guilty: 15 charges of negligently

discharging a harmful quantity of oil and hazardous substances upon the shorelines adjoining

waters of the United States and in a manner that may have affected resources belonging to or

appertaining to the United States in violation of the Federal Water Pollution Control Act (Clean

Water Act), Title 33, United States Code, Sections 1319(c)(1)(A) and 1321(b)(3). The deferral of
felony RCRA and CERCLA charges is contingent upon DOYON DRILLING's compliance with
the terms of both this Deferral Agreement and the Plea Agreement. Other than these two
agreements, no other agreement, understanding, promise or condition coists between the parties.

B. This Agreement is limited to the United States Attorney for the District of Alaska
(U.S. Attorney's Office) and the Environmental Crimes Section of the Department of Justice, and
does not bind other sections or divinions of the Department of Justice or any other federal, state
or local prosecutive or regulatory authority.

C. The parties agree not to make any public statement contrary to the facts and provisions set forth in this Deferral Agreement, the Piez Agreement, and the information. However, the parties specifically reserve the right to make public statements or flings that do not contradict the facts set forth in the Deferral Agreement, Information and the Piez Agreement after the filing of the Information.

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IL THE AGREEMENT

A The Defendant agrees to:

- Accommode responsibility for the acts and omissions constituting the crimes alleged below.
- a) From late 1992 through September 1995, in the manner and frequency discussed below in Section IV, in the District of Alaska, Defendant DOYON DRILLING did knowingly dispose and cause to be disposed, hazardous wastes on Endicon Island, by injecting hazardous wastes down the outer annuli of oil-producing wells, without a permit or interim status authorization, in violation of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Section 6928(d)(2)(A).
- b) On or about Jamuary 17, 1995, a hazardous substance consisting of 23 barrels of ignitable waste solvents and waste oil containing F-listed hazardous wastes as defined in the Resource Conservation and Recovery Act, was released into the environment from Rig 15, by injection into the ground through the outer annuli of an oil-producing well on Endicont Island; the release was not federally permitted; the amount released was in excess of the reportable quantity as defined by law, and DOYON DRILLING failed to immediately actify the appropriate agency of the United States as soon as DOYON DRILLING became aware of the release, all in violation of the Comprehensive Environmental Response, Cleamap, and Liability Act (CERCLA), 42 U.S.C. Sections 9601 and 9603.
- Concede and admit the factual and legal basis for these charges as described in section IV.

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- 3. Have its representative, duly authorized by the Defendant DOYON

 DRILLING's Board of Directors and with authority to speak for the Defendant, sign the Defendant

 Prosecution Agreement and appear in court at the time it is filled.
- 4. Provide to the United States and the Court written evidence, in the form of a notarized resolution of its Board of Directors with both notary and corporate seek, certifying that Defendant is authorized to enter the Deferred Prosecution Agreement, toll the applicable statutes of limitations, and comply with all provisions of the Deferral Agreement. The resolution shall further certify that the President or Chief Executive Officer or his or her designee are authorized to take these actions and that all corporate formalities, including but not limited to approval by Defendant's directors, required for such authorization have been observed.
- 5. The Defendant understands and agrees that the prosecution of the RCRA count and CERCLA count will be deferred for a period of five years. During this five year deferral period, the Defendant agrees to the following conditions:
- a. The Defendant shall commit no further violations of state or federal criminal laws, environmental laws, regulations or permits of the United States, including those for which primary enforcement has been delegated to a state.

b. In connection with the United States' investigation of possible violations of the RCRA, CERCLA, the Safe Drinking Water Act, 42 U.S.C. Section 300f et sea,, or any other environmental or criminal violation at Endicon Island, Alaska, and in any trials or other proceedings arising out of this investigation, the Defendant will cooperate truthfully and completely with the United States. The Defendant agrees that such cooperation shall include but not be limited to, the following upon request:

DEFERRED FROSECUTION AGREEMENT Page 4 i) The Defendant will provide access to copies of original documents and records and providing authentication of such documents as business records;

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- The Defendant will provide reasonable access to DOYON

 DRILLING rigs;
- iii) The Defendant will provide access to Defendant's experts and consultants and copies of their records, reports, and documents, including but not limited to ...

 Dames & Moore;
- iv) The Defendant will provide the assignment schedules for DOYON DRILLING employees and contractors, and granting literal leave to its employees for any obligation to respond to any request to appear for interviews by law enforcement agents and government counsel and also to respond to any request to appear or subposess to appear at legal proceedings, including grand jury sessions and trials;
- Is Defendent will impose so limits on contacts between law enforcement agents and government counsel and Defendent's past and present officers and employees, including refraining from instructing its officers and employees that they must contact a company representative or counsel before communicating with law enforcement personnel and government counsel; however, DOYON DRILLING may expect that the United States will give consideration to and will coordinate with DOYON DRILLING to the extent possible with respect to work schedules and drilling activities, so that investigative work by the United States will not unduly interfere with the business of the company;
- vi) The Defendant will inform its employees and contractors
 that it is the policy of DOYON DRILLING to cooperate with regulatory authorities, and
 DEFERRED PROSECUTION AGRICUMS
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encourage in past and present officers and employees to choperate fully and truthfully with the United States and disclose all information with respect to their activities and those of others relating to violations of federal crimical laws, including federal environmental laws

The Defendant will provide all relevant information including the complete results of all internal and external investigations of this name and the names of all potential witnesses. Upon request in writing of the United States, the Defendant will provide a limited waiver of the attorney-client privilege and the work product doctrine if hecessary in order to fully cooperate in accord with this Agreement. Any privilege waiver requested would not extend to opinions of counsel, mental impressions of counsel and legal advice of counsel. The Defendant werrous that there is no internal or external investigative report of the subject matters in this Agreement. Said information is commined in the winess statements all of which shall be provided as set forth in (h) below.

In the state of Alaska, witness statements are generally exchanged between parties to litigation. Accordingly, in furtherance of its duties to cooperate consistent with this Agreement, Defendant shall provide to the United States witness statements (written notes and interview memoranda) of all interviews of its past or present officers and employees, in connection with the waste disposal practices and rig operations at Rig 15. Portions of the witness maternance which include counsel's mental impressions, opinions of counsel, and legal advice of counsel may be reducted. In addition, in the event the United States calls counsel for the defendant to testify about witness statement obtained from Defendant's past or present officers or employees, the Defendant shall permit such testimony to occur which orally provides the same information as that in those witness statements (with the exception of any mental DETERMINE PROSECUTION AGRESTORY

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impressions, opinions and legal advice of counsel). It is further understood and agreed that

Defendant's obligations in this paragraph are subject to and limited by the Defendant's obligations

to preserve confidences under all applicable joint defense agreements. Should Defendant

determine that it is obligated to withhold any such document or information pursuant to a joint

defense agreement, the Defendant shall (a) identify in writing the nature of the document or

information it seeks to withhold; and (b) provide an explanation in writing as to how said

document or information is covered by the terms of a joint defense agreement.

- 6. The Defendant agrees to withdraw from all joint defense agreements with individuals or corporations, at of the date of this agreement. Despite withdrawal from the joint defense agreements, the Defendant will continue to preserve confidences under all applicable joint defense agreements unless all relevant parties waive the privilege.
- 7. The Defendant agrees to refrain in the future from entering into the same or any new joint defense agreements similar to and involving the same parties and subject matters as those that may exist as of the date of the signing of this document. However, nothing herein shall prevent DOYON DRILLING from entering into any joint defense agreement in the future as deemed necessary in amicipation of lingation other than criminal enforcement by the United

 States pursuant to the terms of this Defent. Agreement, provided any future joint defense agreements do not compromise the Defendant's obligations to fully cooperate with the United

 States, as required by this Deferral Agreement.
- 8. The Defendant agrees that it has been fully advised of its manutory and constitutional rights, that it has been informed of the possible charges and allegations against it and the possible penalties, and that it understands them. For each court of a RCRA or CERCIA DEFENDED PROSECUTION AGREEMENT Page 7

conviction, the penalty is a maximum fine of \$500,000 or twice the gross gain or loss resulting from the unlawful conduct, 18 U.S.C. Section 3571; from one to five years organizational probation; and a special assessment of \$200.00, 18 U.S.C. Section 3013(a)(1)(B). The Defendant could also be required to make full restitution for damage to any person or natural resources.

- 9. The Defendant agrees to establish and maintain an effective environmental compliance program enforcing all state and federal environmental laws, regulations, and permits. Defendant DOYON DRILLING agrees that the environmental compliance program will be diligently enforced by the officers and managers of DOYON DRILLING. As part of establishing and maintaining an effective compliance program, DOYON DRILLING will do the following:
- a) appoint a DOYON DRILLING employee as a responsible corporate officer (RCO), who will have the requisite knowledge of DOYON DRILLING's compliance obligations under this Agreement and the authority to insure that the obligations are fully implemented, and who will be directly responsible for monitoring, maintaining, and emforcing the provisions of the environmental compliance program. The U.S. Anomey's Office and the Court must approve the selection of the RCO. DOYON DRILLING will identify the RCO to the Court at the time of semencing.
- b) establish, at a time prior to sentencing, a Compliance Committee consisting of the RCO, the General Manager of DOYON DRILLING and the independent environmental consultant bired to develop DOYON DRILLING's compliance program, as described below or other suitable environmental consultant approved by the U.S. Anomay's Office and the Probation Office. This Compliance Committee shall report to the DOYON DRILLING board at each regularly scheduled board meeting:

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- e) remain, at a time prior to sementing, the services of an independent environmental consultant to be approved by the U.S. Attorney's Office and Probation Office who will develop the environmental compliance plan, including the requisite employee training program. The consultant shall have full access to all DOYON DRILLING facilities, including but not limited to its drilling rigs and business offices, records relating to DOYON DRILLING's compliance with environmental laws, regulations and permits, and all present and past DOYON DRILLING employees;
 - d) identify all waste streams from the DOYON DRILLING riggs
- e) develop written work practice standards for DOYON DRILLING rigs regarding handling, storage, treatment, and proper disposal of all solid wastes and hazardous substances:
- continuental laws, regulations, and permits. The program will adopt and implement the recommendations of the independent environmental consultant and will incorporate and employ the equipment and procedures necessary to preven future noncompliance and violations. The program will include the development and maintenance of record keeping regarding the accumulation, treatment, storage, and proper disposal of all solid waste, as defined by RCRA. The program must be approved by the U.S. Attorney's Office, Environmental Protection Agency (EPA), and Probation Offices prior to implementation. This program must be developed and fully implemented within one year of semencing.

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g) commence implementation of the compliance program and training following the government's review and approval. The Defendant shall submit quarterly reports to DEFENDED PROSECUTION ACCESSION.

the Court, U.S. Attorney's Office and Probation Office, signed by the RCO, describing the status of the implementation of the environmental compliance program and training. A status conference with the Court will be held on an annual basis commencing one year from the date of this Agreement is executed, or more frequently as requested by the United States and approved by the Court, during the period of probation. The environmental compliance program will remain under the supervision of the Court for the duration of the term of probation subject to periodic amounced and unannounced inspections by government officials. This term shall not be interpreted in any way to limit any governmental agency's exercise of its statutory or regulatory access or inspection rights.

h) train all employees, and contractor employees that are normally and regularly present at DOYON DRILLING facilities on the North Slope or are involved with waste handling or disposal, annually about the requirements of environmental law, regulations and permits and about the necessity of personal responsibility in enforcement of environmental laws, regulations and permits. This internal employee training will be in addition to any training provided by DOYON DRILLING's clients;

i) train all new DOYON DRILLING employees, and new contractor employees that are normally and regularly present at DOYON DRILLING facilities on the North Slope or have responsibility for waste handling or disposal, within two months of hiring about the requirements of environmental laws, regulations and permits and about the necessity of personal responsibility in enforcement of environmental laws.

j) direct supervisors to provide written certification annually to the RCO that all supervised employees have been properly trained;

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It) hire an independent environmental auditor approved by the U.S.

Amorney's Office and the Probation Office to conduct annual audits of all DOYON DRILLING rigs in operation to determine compliance with all environmental laws, regulations and permits, adequacy of the compliance program, and adequacy and frequency of environmental training.

The auditor will not be associated with the independent consultant bired to develop the compliance and training programs. The auditor shall have full access to DOYON DRILLING's drilling rigs, business offices, facilities, records relating to DOYON DRILLING's compliance with environmental laws, regulations and permits and DOYON DRILLING employees.

I) convey the independent auditor's annual reports to the EPA, the U.S.

Attorney's Office, the Probation Office, and the Court,

- m) provide any rebuttal of, or explanations by DOYON DRILLING in response to, the auditor's annual report to the EPA, the U.S. Attorney's Office, the Probation Office, and the Court,
- a) assume all costs associated with the implementation, maintenance and governmental and Court review of this condition of probation.
- 10. The Defendant understands this agreement does not confer any immunity on the Defendant or any of its officers, employees or directors for making false statements to the government or giving untruthful testimony under an oath at any judicial proceeding, nor does this agreement provide use immunity or derivative use immunity to the Defendant or any of its officers, employees or directors for any statements.
- 11. If it is determined the Defendant violated a condition of this Deferral
 Agreement during the five year deferral, the United States' obligations under this Deferral
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Agreement are immediately terminated and the United States can, in its discretion, withdraw from this Deferral Agreement. The United States may then prosecute the Defendant on charges it has agreed to defer or forego. The Defendant waives any statute of limitation defense that could be asserted to charges described in Section II(B)(1)&(2) should prosecution be reinstituted following breach of this Deferral Agreement by the Defendant.

- B. In exchange for the Defendant's full and complete compliance with the terms of this Deferral Agreement throughout the five year deferral period and DOYON DRILLING's agreement to plead guilty to 15 misdemeanor counts charging the negligent discharge of oil and hazardous substances upon the shorelines adjoining the waters of the United States and in a manner that may have affected resources belonging to or appertaining to the United States, in violation of Title 33, United States Code, Sections 1319(c)(1)(A) and 1321(b)(3), the United States agrees that:
- 1. It will not prosecute the Defendent for the RCRA and CERCLA violations described in Section II(A)(2)(a) & (A)(2)(b) above.
- 2. It will not seek additional criminal prosecution in the District of Alaska against DOYON DRILLING, or any other affiliated or related corporate emity, for environmental criminal violations and general criminal violations (1) relating to waste disposal and rig operations at Rig 15 from 1992 to 1995, or (2) based on any matters that were the subject of the government's criminal investigation involving DOYON DRILLING and were known to the government as of the time of this Deferral Agreement. This Deferral Agreement does not limit the government's right to prosecute any offenses based on facts of which it was unaware as of the date of this Deferral Agreement. The parties understand that this Deferral Agreement does not DEFERRED PROSECUTION AGREEMENT?

apply to any individuals, including but not limited to present and former employees, officers, agents and contractors. The parties further understand that this Deferral Agreement applies only to federal criminal charges and only binds the U.S. Attorney's Office for the District of Alaska and the Department of Justice Environmental Crimes Section. The Defendant has discussed with its attorneys and understands that nothing contained in this Deferral Agreement is meant to limit the rights and authority of the United States to take further civil or administrative action against the Defendant including but not limited to, any listing and debarment proceedings to restrict rights and opportunities of the Defendant to contract with or receive assistance, loans and benefits from United States government agences.

III ELEVENIS

A. Resource Conservation and Recovery Act

The elements of a RCRA treatment or disposal without a permit offense are as follows:

(1) the defendant is a person who; (2) knowingly; (3) treated, stored, or disposed of; (4) a

hazardous waste; (5) without a permit or interim status authority. 42 U.S.C. § 6928(d(2)(A)).

B. Comprehensive Environmental Response. Cleams and Liability Ag

The elements of a CERCLA offense for failure to report a release are as follows: (1) a

hazardous substance; (2) in an amount equal to or greater than the reportable quantity, (3) was released into the environment; (4) from a facility or vessel; (5) the release was other than a federally permitted release; and (6) the defendant, who was a person in charge of the facility or vessel; (7) failed to notify the appropriate agency of the United States immediately as soon as he or she became aware of the release. 42 U.S.C. § 9603.

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IV. FACTUAL BASIS

The conduct described below constitutes a factual and legal basis for the RCRA and CFRCIA violations described in Section II(A)(2)(a) & (A)(2)(b) above. The Defindant, a corporation, is criminally liable for the acts of its employees comprising the elements of the offenses charged. At all times described below, the employees whose conduct is described were acting for the benefit of DOYON DRILLING and within the scope of their employment.

A. The December .

Defendant DOYON DRILLING is an Alaskan corporation that provides oil-field drilling services throughout the North Slope of the state of Alaska. DOYON DRILLING owns and operates several drilling rigs on the North Slope, including Rig 15.

DOYON DRILLING has operated Rig 15 on Endicon Island (Endicon) since approximately 1986. Endicon consists of two man-made islands located in the Beaufont Sea off the North Slope of Alaska. The islands were constructed in the late 1980's to facilitate oil production.

Rig 15 has several employee positions, including the toolpusher, who oversees the drilling rig on behalf of DOYON DRILLING. The toolpusher is in charge of the rig and is the highest ranking DOYON DRILLING employee regularly ensite. The rockwasher worked in a separate unit of Rig 15, used during the period relevant to this menter, called the rockwashing unit or rockwasher. This rockwashing unit processed fluids that were used to lubricate the drill bit and lift curtings to the surface, separating out sand, gravel and rocks from the lubricate, called drilling mud. The waste drilling mud was injected from tasks in the rockwasher into the outer annuli of wells.

DEFERRED PROSECUTION AGRENOUS Page. 14 When drilling a well, Rig 15 drills a hole to a certain depth, then lowers a steel pipe called the surface casing into the hole and cements that casing into place. The rig then drills a second, smaller hole, within the surface casing. A second casing is then lowered and cemented into place. Finally, an even smaller hole is drilled within this second casing and the production tubing is lowered into the hole and cemented into place. The space inside the production tubing is where the oil and gas are brought to the surface.

The space between production tubing and the second casing is the inner annulus. On most Endicon wells, the inner annulus is closed to the ground formation. Fluids pumped down the inner annulus remain in the inner annulus until removed. The space between the second casing and the outer, surface casing is called the outer annulus. The surface casing extends to a depth of between 2000 feet to 4500 feet. On most Endicon wells, fluids pumped down the outer annulus reach the 2000 to 4500 foot depth, then flow into the ground formation and are released into the environment.

At the completion of drilling, the top 2000 feet of both the inner and outer annuli of a well require "freeze protection." Since Endicott is located in the permatrost zone, the top 2000 feet of the earth are permatrost. If a well is not freeze protected, the contents could freeze, potentially damaging the casing. To prevent this, an anti-freezing type substance is pumped into the annuli. Several different substances can be used to protect a well from freezing. The freeze protection fluids used by Rig 15 were new diesel and dead crude.

B. The Defendant's Unlawful Conduct

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Beginning approximately in late 1992 and larning until approximately September 1995, in the manner and frequency discussed below, employees of DOYON DRILLING discharged waste DEFERRED PROSECUTION ACCUMENT.

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oil and hazardous substances by injecting barrels of these waste materials down the outer annuli of oil-producing wells. The barrels commined a variety of waster, including waste paint thinner, waste paint, waste oil, waste glycol, and waste solvents. Many of the waste materials placed into the rockwasher tanks and injected into the outer annuli were hazardous waste under the Resource Conservation and Recovery Act, including ignitable waster, and lead-comminated oil and solvents. Some of these waster were F-listed hazardous waster under RCRA. F-listed hazardous waster are certain spent halogenated and non-halogenated solvents which contain a certain level of chemicals, such as methylene chloride, tohume, sylene, benzene and ethyl benzene.

Waste materials from throughout the rig and Endicott production facility were

accumulated in barrels. DOYON DRILLING employees did not segregate waste materials when
placed in the accumulation barrels on Rig 15, resulting in the unlawful mixing of wastes. Once
full the accumulation barrels were routinely taken to a designated storage area.

Once several barrels of waste materials had accumulated at the storage area, the rig toolpusher and roustabout pushers would direct that the barrels be taken to the rockwasher for disposal. A fordiff operator would transport the barrels to the rockwashing unit, where a DOYON DRILLING rockwasher would inject the waste materials, either by dumping the wastes into a collection tank and then injecting the tank contents, or pumping and injecting the wastes directly from the barrel.

DOYON DRILLING employees injected waste materials as frequently as once every two weeks. On occasion, as many as 25-30 barrels were injected at one time. Approximately seven rockwashers were directed to inject bazardous waste at various times. The rockwashers were instructed to falsely report the waste materials that were annularly inject as mad.

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Rockwashers complained about the severity of the fumes released during injection of the waste. Some rockwashers were respirators provided by DOYON DRILLING to protect them from the fumes. No environmental laboratory testing was done by DOYON DRILLING to determine the nature of the wastes and whether the wastes were hazardous prior to workers' exposure and release of the waste materials into the environment.

The injection of ignitable used solvents and listed bezardous wastes constituted disposal in violation of RCRA, although the practice was called "freeze protection." According to DOYON DRILLING toolpushers, used solvents and other waste products were not used to freeze protect Endicort wells that had just been drilled. Instead, new diesel and dead crude oil were used. The practice of illegal disposal, faisely disguised as legitimate freeze protection, was stopped when a whistleblower disclosed the practice to the Operator of Endicort in September 1995, as described below.

On approximately January 16, 1995, 23 barrels of waste oil and waste solvent were delivered to the rockwasher on Rig 15 for injection. The rockwasher decided not to pump the chemicals into the rockwasher tank and inject them into the well. He told the fortilift driver and toolpusher that he refused. After consulting with representatives of the Operator of the Endiconfacility, the toolpusher on duty instructed the rockwasher to inject the 23 barrels. Rockwashers say that the toolpusher instructed the rockwashers to falsely report it on the injection log as "mud."

On approximately January 17, a sample was taken of the 23 barrels prior to injection and later tested by the EPA. According to the lab analysis, the sample was ignitable and contained chemical constituents found in specific listed halogenated and non-halogenated solvents identified DEFEREND PROSECUTION AGREEMENT Page 17

by EPA as hazardous. Some of the particular constituents included: methylene chloride, naphthalene, toluene, benzene, rylene, ethyl benzene, 1,2,4-trimethylbenzene and 1,3,5-trimethylbenzene.

The invoices and purchase orders of DOYON DRILLING revealed the following products in use at Rig 15 during the relevant period that contain some of the hazardous constituents found in the sample: lacquer thinner (toluene) and paint thinner (xylene and toluene).

In late February 1995, a rockwasiar west to the DOYON DRILLING office in Anchorage to report the disposal practices on Rig 15. He spoke with DOYON DRILLING's Assistant Operations Matager, and DOYON DRILLING's Health, Safety and Environmental (HSE) Coordinator, whom The employee recorded the conversation without knowledge. During the about the injections. He reported the types meeting the rockwasiner informed of substances being injected, the volume and frequency of the injections, the toolpusher who directed the disposal, and the rockwasher's failed attempts to stop the practice. Both acknowledged that the state of Alaska's general wastewater disposal permit for annular disposal of drilling fluids did not allow the injection of used solvents, paints, and paint thinners said that the practice had been done for years and that the products and that it was illegal being injected were supposed to be shipped off the North Slope. further acknowledged that the wastes were not exempt from the Resource Conservation and Recovery Act under the oil exploration and production exemption, noting that because the materials had not been "downhole," they could not be disposed of by samular injection.

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Despite receiving this report of illegal injection, no report was made regarding the

January 17 release or the communed illegal injection practices until October 12, 1995, when

DOYON DRILLING positived the National Response Center and EPA. This notification occurred

after DOYON DRILLING learned that EPA had been informed of the whistleblower's allegations.

The Defendant agrees that these faces provide a sufficient facual and legal basis to establish the violations of RCRA and CERCLA described in Section II(A)(2)(a) & (A)(2)(b) above. Defendant further agrees that the waste materials, including waste solvents, waste oils, waste paint, and waste paint thinners, disposed of through the rockwasher down the outer annuli of oil wells, were not used for freeze protection and, further, were not exempt from RCRA pursuant to the exploration and production exemption.

The parties agree that this Deferral Agreement is not a judgement involving DOYON DRILLING.

Dated this day of April, 1998.

FOR THE UNITED STATES:

ROBERT C. BUNDY
UNITED STATES ATTORNEY

FOR DOYON DRILLING:

MORRIS THOMPSON

PRESIDENT FOR DOYON DRILLING

TIMOTHY M. BURGESS ASSISTANT U. S. ATTORNEY

DEBORAH M. SMITH
DEPUTY CHIEF
ENVIRONMENTAL CRIMES SECTION
U.S. DEPARTMENT OF JUSTICE

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MICHAEL SPAAN
ATTORNEY FOR DOYON DRILLING

DAVID MARSHALL

ATTORNEY FOR DOYON DRILLING

Ou Telephon Reques